



Doing Business In Uganda: A Country Commercial Guide for U.S. Companies

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Chapter 1: Doing Business In Uganda

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Market Overview

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- Uganda continues to take substantial strides to liberalize the economy, contain inflation and allow the economy to grow. Uganda's GDP grew by nearly six percent in 2003 and is expected to maintain this level of growth in 2004.
- Uganda has made strong strides in reducing poverty. The percentage of Ugandans living in poverty dropped from 56 percent in 1992 to 35 percent in 2000 before spiking slightly to 38 percent in 2003. Increasing industrialization and development of cash crops has enabled rural Ugandans to move into a cash economy. While the government has increased spending on health, education, and social services, the annual budgets still reflect heavy spending on government administration and defense.
- The Government of Uganda (GOU) continues to implement programs to promote foreign investment, and largely follows IMF/World Bank guidelines to maintain macroeconomic stability and restructure the economy. Uganda's privatization program recently has faltered due to Presidential interference in the process.
- Uganda has experienced nearly twenty years of political stability in much of the country, though an insurgency continues to plague the north. Political stability has buttressed economic growth. The run up to general elections in 2006, in which current President Yoweri Museveni likely will seek to lift constitutionally imposed term-limits to seek a third term, may see some increase in political violence. However, few people expect a major impact on local economic development.
- Good food harvests have kept inflation in check, with inflation remaining below ten percent since September 2003 (though recent dry weather impacted 2004 harvests, causing short term price spikes for some foodstuffs).
- The Ugandan shilling has appreciated against the dollar and now stands at approximately 1,700 shillings to the dollar, down from 2,000 shillings per dollar in early 2004.
- The banking sector has fully recovered from the shocks when the GOU was forced to close four domestic commercial banks during 1998/99 for gross mismanagement. With assistance from the U.S. Department of Treasury, the GOU has upgraded bank supervision and increased capital requirements. Parliament recently passed a financial institutions bill that puts emphasis on good commercial bank management.

- Uganda has begun to actively promote the development of capital markets, with seven listings on the Uganda Securities Exchange. Uganda recently licensed the first company to operate a collective investment scheme. In 2004, the Bank of Uganda successfully launched 2, 3, 5 and 10-year government bonds.
- Government revenue collection continues to lag behind that of most African nations, leading to large budget shortfalls. International donors provide crucial budgetary and project assistance amounting to around 46 percent of government expenditures in 2004/05. This budgetary support increases inflationary pressures and forces the government to frequently auction treasury bills to mop up excess liquidity. Treasury bill sales have pushed interest rates up, making it difficult for Ugandan businesses to access capital.
- In April 1998, Uganda was the first country to benefit from the HIPC (Heavily Indebted Poor Countries) Initiative, receiving debt relief of USD 650 million in nominal terms, spread over 30 years, with USD 200 million made available during the first five years. After a review of the GOU's poverty reduction strategy, Uganda was once again selected as the first country to benefit from debt relief under the enhanced HIPC initiative. This initiative provided an additional (nominal) USD 1.3 billion of relief. Uganda now receives about US\$80 million per year in debt relief under the HIPC initiative. Nevertheless, continued borrowing has actually increased Uganda's foreign debt, now at over USD 4.4 billion.
- Uganda has traditionally traded with nearby countries, South Africa, and Europe, especially the United Kingdom. In 2003-04, several South African firms made high-profile investments in the Ugandan retail sector. For FY 2004, Foreign Direct Investment in Uganda totaled nearly USD 196 million.
- In March 2004, Uganda, Kenya, and Tanzania signed the East African Customs Union (EACU), which will remove internal tariffs and harmonize external duties. As part of the EACU, which entered into effect on January 1, 2005, Uganda will have to increase its tariffs on some finished products imported from outside the EACU.
- Uganda's traditional export crops -- coffee, cotton, and tea -- have not fared well in glutted world markets. However, non-traditional goods, such as fish, flowers, and vanilla, now form a large percentage of Ugandan exports. Primary Ugandan exports to the United States include vanilla, fish, and coffee. Uganda also exports textiles to the U.S. under the African Growth and Opportunity Act (AGOA).
- Ugandan attitudes toward the U.S. are favorable, as are business attitudes generally. While U.S.-Ugandan trade has increased recently, American exports to Uganda totaled only USD 55 million for 2004, or about 5% of total imports. Major American exports included agricultural products (largely food aid), electrical machinery, used clothing, telecommunications equipment, and medical equipment and medicines.

Market Challenges

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- The barriers to doing business generally in Uganda include difficulty accessing financing, continued high levels of corruption, high land, air and rail transportation costs, poor infrastructure (including transportation, power, and water), inefficient

government services (especially in the immigration department, customs department, land registry, and Uganda Revenue Authority), and a lack of consistency between government policies and practices.

- Roadblocks particular to American companies include Uganda's traditional links to East Africa and the United Kingdom and bribery by some non-American businesses competitors to influence government action. American manufacturers wishing to export to Uganda must overcome buyers' comfort with familiar trading partners and concern about the ability of American manufacturers to provide parts and service. Additionally, most development projects are funded by outside donors who often informally link their money to purchases from companies based in their own country.
- Transportation costs from the United States tend to make some U.S. goods less competitive. Also, new products often compete with used goods, especially in automobiles and clothing, though U.S. exporters of used and refurbished products will find a ready market.

Market Opportunities

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- To date, few U.S. companies have entered the Ugandan market with estimated total U.S. investment in the low eight figures. However, Uganda has become very attractive to South African multi-nationals in a variety of areas, including energy, retail, manufacturing, food processing, and telecommunications. Additionally, Uganda's agricultural potential and untapped mineral resources have begun to attract foreign investment.
- Prospects for U.S. investment in Uganda are in the following sectors: agriculture, food processing, livestock, tourism, infrastructure, transportation, import substitution, light manufacturing, mining, and telecommunications.
- Uganda's growing domestic economy and modernizing infrastructure provide opportunities for U.S. firms to market goods and services. Over the next decade, Uganda will need to dramatically upgrade its power generation capabilities, while upgrading its transportation network (air, rail, and road).
- If Uganda is able to take advantage of the East African Customs Union to increase agricultural production and processed foods, American machinery and equipment manufacturers might be well positioned to make sales.
- Large amounts of donor aid enable the Government of Uganda to issue tenders for large procurements of goods and services. Few U.S. firms bid on these tenders, many of which are in areas in which American businesses are competitive, including telecommunications, computer-related equipment and services, power generation and transmission equipment, and transportation infrastructure.
- Though the Great Lakes region remains unstable, Uganda is well positioned to supply growing markets in southern Sudan, eastern Congo, and Rwanda.
- Prospects for U.S. exports to Uganda include food processing, infrastructure development and general construction, telecommunication, light

manufacturing/consumer goods, mining, fisheries, and medical equipment and supplies.

Market Entry Strategy

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- Ugandan markets generally are not well developed. Thus, it is important that interested exporters and investors perform due diligence, including a visit to Uganda.
- Most exporters rely upon local distributors to market their products. The U.S. Embassy commercial section can help review potential distributors. Please note, however, that while partnering with a prominent or well-connected local business can provide quick access to Ugandan consumers, it may be difficult to settle disputes fairly with such an entity.
- It often makes good business sense to use local agents familiar with the sometimes confusing and slow-moving Ugandan bureaucracy. As with local distributors, we advise interested businesses to thoroughly research potential agents.
- Some U.S. businesses have entered the local markets by entering into joint ventures with local or regional businesses. This allows U.S. firms to take advantage of local and regional expertise while sharing some of the risks with the local firms.
- Some U.S. exporters access the Ugandan market via Kenya, where they have established production facilities.

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Chapter 2: Political and Economic Environment

For background information on the political and economic environment of Uganda, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/2963.htm>

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Using an Agent or Distributor

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Few American companies have invested directly in Uganda. Typically, American businesses looking to access the Ugandan market enter into contractual agreements with local agents and distributors. A good local agent may play an important role for U.S. companies looking to bid on GOU tenders, which often require detailed knowledge of local conditions and the government bureaucracy. The Uganda Investment Authority (UIA), and the Uganda Manufacturers Association (UMA) maintain resource centers and often field inquiries from agents and distributors or companies looking for outside partners. The Ugandan National Chamber of Commerce and Industry (UNCCI) may also assist with identifying local agents and distributors. The Uganda Export Promotion Board (UEPB) has a list of export firms in Uganda. The commercial section at the U.S. Embassy can also help perform an initial vetting of and can set up meetings with potential agents or distributors. Nonetheless, it would be difficult to choose an agent or distribution and sales channels distributor without visiting Uganda, surveying the situation, and then interviewing candidates.

Establishing an Office

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The Uganda Investment Authority (UIA) facilitates the registration and licensing of foreign firms. The UIA can assist companies wishing to establish an office by providing advice on registry, licensing, immigration, tax, and customs matters, and sub-licenses and permits. Despite the assistance provided by the UIA, investors can face inept and corrupt government personnel within agencies such as the Uganda Revenue Authority and the Immigration Department within the Ministry of Internal Affairs. Moreover, other government ministries can actively intercede to impede (or sometimes assist) a business venture. A local partner may be able to ease some of these difficulties. At present, a glut of office space exists in Kampala. With the construction of a number of new office

buildings, the quality of available offices is improving and rents are declining.

Franchising

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Few American franchises operate in Uganda; no U.S. food company or retailer has opened establishments in Uganda to date, though local operators of American brands such as Sheraton and Hertz function in Kampala. Prominent Ugandan businessmen are looking to invest in franchises. Recently, two South African fast food chains have opened, with planned expansions to some of the larger towns outside of the capital. Caltex, the U.S. based fuel company, and other foreign fuel companies offer their service stations on a franchise basis. A popular business model among these has included a "mini-mart" selling convenience items combined with the gas station.

Direct Marketing

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With a slowly developing telecommunications infrastructure, Uganda currently does not present much opportunity for marketing by telephone or via the internet. Similarly, other than in a few urban areas, most Ugandans do not actively utilize mail services. Most foreign products are marketed through a local company with experience/expertise in the respective area.

Joint Ventures/Licensing

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There are no restrictions on foreign ventures with local investors. However foreign investors need to be cautious and apply good business judgment when dealing with local investors.

Selling to the Government

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Most government purchases are made through tendering. The Central Tender Board controls tendering, and advertises in the newspapers and by sending invitations to organizations in Kampala. Because of decentralization efforts, there has been a renewed interest in district tender boards. The Public Finance and Accountability Act was enacted and has been in force since July 2003. It clarifies the roles and responsibilities for sound financial management throughout government. This act allows for proper control and audit of classified expenditure. There is a procurement development unit, the Reformed Central Tender Board, under the Ministry of Finance and Economic Planning to audit government procurement. Though the GOU recently announced that defense procurement would now follow standard public expenditure management principles, military procurement, while potentially lucrative, remains non-transparent.

Distribution and Sales Channels

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Products are generally distributed through small wholesalers, who then sell products to smaller shopkeepers. In practice, the bulk of imported consumer products (whether smuggled or not) start their journey in downtown Kampala, generally centering in the informal market area of Nakivubo street. Merchandise is off-loaded from containers and

sold in bulk quantities to waiting transporters. Most of these transactions are paid in cash, and transporters immediately carry loads to intermediaries en route to smaller towns and villages. Businessmen report that customs duties are rarely collected, especially if a bribe is offered to the local revenue officer. The entry of large South African retailers (Game, Shoprite, Metro, Woolworths) into the market now allows suppliers to deal directly with these major purchasers.

Selling Factors/Techniques

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Products are marketed through road signage and advertising in newspapers and on radio and television. Most Ugandans speak English, though some ad campaigns use local languages. While modern sales techniques are relatively new for Uganda, they appear to be very popular and successful. For example, Coke and Pepsi have run successful promotions with contests based on collecting bottle caps or finding bottle caps with special symbols. South African retail companies have created sophisticated and coordinated advertising campaigns. Radio and newspaper advertising dominate. Television advertising has not been fully developed.

Electronic Commerce

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E-commerce is not very developed in Uganda. Few Ugandan companies sell their products over the Internet. American companies contacted by potential Ugandan purchasers need to exercise great caution prior to finalizing any transactions. While many legitimate Ugandan entities seek to source goods over the Internet, the U.S. Embassy has detected a growing amount of fraud. U.S. vendors should never agree to accept third party checks as payment for goods to be shipped to Uganda. If a vendor questions the legitimacy of a potential Ugandan purchaser, the vendor should contact the commercial section at the U.S. Embassy, which will verify the existence of the purchaser.

Trade Promotion and Advertising

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There are several advertising agencies in Kampala, including Media Consultants LTD (MCL), an Ayton, Young and Rubicam affiliate; tel: 256-41-231-212; fax: 256-41-236-042; e-mail: mcluga@starcom.co.ug.

Major Newspapers and Business Journals include:

The East African, P.O. Box 6100, Kampala, tel: 256-41-232-768; website: www.nationaudio.com
The East African Procurement News, P.O. Box 24595, Kampala, tel.: 256-41-231-120; website: www.procnews.com
The Monitor, P.O. Box 12141, Kampala, tel: 256-41-236-939; fax: 256-41-232-369; website: www.monitor.co.ug
The New Vision, P.O. Box 9815, Kampala, tel: 256-41-235-209; fax: 256-41-235-843; website: www.newvision.co.ug

Radio and Television Stations include:

Capital Radio, P.O. Box 7638, Kampala, tel: 256-41-235-092/3/4 Radio Uganda, P.O. Box 7142, Kampala, tel: 256-41-251-554
Central Broadcasting Service (CBS FM), P.O. Box 12760, Kampala, tel: 256-31-333-100; website: www.cbsfmbuganda.com
Impact Radio, P.O. Box 7223, Kampala, tel: 256-41-272-114; website: www.victoryuganda.org KFM, P.O. Box 12141, Kampala, tel: 256-31-260-018; website: www.kfm.co.ug
Lighthouse Television, P.O. Box 23934, Kampala, tel: 256-41-543475/543-435/554-221 MNET, P.O. Box 2373, Kampala, tel: 256-41-341-431/38
Radio One, P.O. Box 4589, Kampala, tel: 256-41-348-311/211
Radio Sanyu, P.O. Box 30961, Kampala, tel: 256-41-234-250; website: www.mondotimes.com
Simba Radio, P.O. Box 31564, Kampala, tel: 256-41-543-672; website: www.simba.fm
Uganda TV, P.O. Box 7142, Kampala, tel: 256-41-345-376/256-453
WBS Television, P.O. Box 5419, Kampala, tel: 256-41-344313/4; website: www.wavahtelelevision.com

Pricing

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Pricing is based on what the market will bear, tempered by the nearby Kenya marketplace and, increasingly, imports from South Africa. Over the past year prices have also been tempered by the decline in purchasing power as a result of the terms of trade shock that has reduced real incomes. Generally, European and North American goods and services are expensive, and there is little local competition at moderate prices. For any large-scale equipment or services, the competition is with large European and Asian companies. Fuel, clothing, consumer and electronic goods are often smuggled across the border to evade customs taxes. These smuggled goods, together with low-priced and low quality counterfeit products, create a large gray/black market that undercuts legitimate distributors. In addition, Uganda has a large demand for used clothing, cars, and equipment.

Sales Service/Customer Support

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Customer support can be a major issue for American products being sold in Uganda. U.S. manufacturers need to adequately demonstrate they can supply spare parts. Moreover, they should carefully select, train, and monitor service providers for their products.

Protecting Your Intellectual Property

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As discussed in Chapter 6, Uganda does not have the ability to strongly protect intellectual property. Draft legislation will upgrade these protections, though Parliament has yet to consider these bills. While counterfeit products are readily available, Ugandan police and courts will work to enforce current statutes if pushed to do so by rights holders. Most counterfeit and pirated goods are imported from abroad, though some domestic companies have suffered from locally produced counterfeits.

Due Diligence

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Credit reporting is in its infancy in Uganda and due diligence is difficult to perform. Sellers are advised to collect as much of the price in cash as possible and to collateralize all loans. Sellers should also be aware that fraud is widespread and that accounts and bank statements may not reflect actual financial data. Rather than accepting documents at face value, it is best to ensure their accuracy with a high-level person in the respective financial institution or commercial law firm. Similarly, it is advisable to contact other persons who do business with the firm being researched, especially other foreign customers and providers. Price Waterhouse Coopers, Ernst & Young, Deloitte & Touche, and Citibank operate in Uganda. In addition, USAID funded the Uganda Business Information Bureau, UCB building, plot 10 Buganda Road, Kampala tel: 256--41-233628, 349059, fax: 256-41-234259, e-mail: uibinfo@uib.go.ug

Local Professional Services

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The Institute of Certified Public Accountants of Uganda (ICPAU): tel.: 256-41-540-125/6; e-mail: icpau@infocom.co.ug

Uganda Association of Consulting Engineers: tel.: 256-41-342-536; website: www.uace.or.ug

Uganda Bankers Association: tel. 256-41-343-199; e-mail: uba@uol.co.ug

Uganda Law Society: tel.: 256-41-342-424; website: www.uls.or.ug; e-mail: ulss@utlonline.co.ug

Uganda National Association of Building and Civil Engineering Contractors: tel.: 256-41-287-836; e-mail: unabcec@infocom.co.ug

Uganda Society of Architects: tel.: 256-41-232-963; website: www.archuganda.org; e-mail: archuganda@siticable.co.ug

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Central Broadcasting Service (CBS FM): <http://www.cbsfmuganda.com/>

Impact Radio: www.victoryuganda.org

The Institute of Certified Public Accountants of Uganda (ICPAU): e-mail: icpau@infocom.co.ug

KFM: www.kfm.co.ug

Media Consultants Ltd. (MCL): e-mail: mcluga@starcom.co.ug

Radio Sanyu: www.mondotimes.com Simba Radio: www.simba.fm

The East African: www.nationaudio.com

The East African procurement News: www.procnews.com

The Monitor: www.monitor.co.ug

The New Vision: www.newvision.co.ug

Uganda Association of Consulting Engineers: tel.: 256-41-342-536; website: www.uace.or.ug

Uganda Bankers Association: e-mail: uba@uol.co.ug

Uganda Law Society: www.uls.or.ug; e-mail: ulss@utlonline.co.ug

Uganda National Association of Building and Civil Engineering Contractors: e-mail: unabcec@infocom.co.ug

Uganda Society of Architects: www.archuganda.org; e-mail: archuganda@siticable.co.ug

WBS Television: <http://www.wavahtelelevision.com/>

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Chapter 4: Leading Sectors for U.S. Export and Investment

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Commercial Sectors

- [Foods - processed and food processing/packing](#)
- [Infrastructure - construction equipment, electrical power systems, pumps-valves-compressors](#)
- [Telecommunications equipment/telecommunications services](#)
- [Travel/tourism services; tourism infrastructure services](#)
- [Light manufacturing \(import substitution and exports\): household consumer goods, cosmetics/toiletries, footwear, furniture, textile fabrics, office products and equipment](#)
- [Mining: mining industry equipment, non-ferrous metals; oil gas mineral production/exploration services](#)
- [Marine fisheries products \(seafood\)](#)
- [Medical and Dental Equipment](#)

Sector Name: Foods - processed and food processing/packing
ITA industry code(s): FOD/FPP

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Uganda derives most of its production and the vast majority of its exports from agriculture. President Museveni actively promotes value-added exports, such as roasted coffee and cotton yarn. Uganda also hopes to expand its agricultural exports under the East African Customs Union. Agricultural processing is only beginning, and there are investment opportunities in processing and packaging coffee, edible oils, tropical fruits and fruit juices, and nontraditional crops such as vanilla. There is also potential for growth in horticultural exports.

	2002	2003	2004 (estimated)
Total Market Size	N/A	N/A	N/A
Total Local Production	N/A	N/A	N/A
Total Exports	N/A	N/A	N/A
Total Imports	N/A	N/A	N/A
Imports from the U.S.	0.5	1.2	1

(Figures are in million U.S. Dollars and are unofficial estimates)

Best Products/Services

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Food processing equipment, including drying, storage, and treatment facilities; chemicals and additives used to preserve or process foods; canning, bottling, and other packaging equipment and related materials; repair and maintenance services; consulting services on set up and operation of food processing equipment and systems.

Opportunities

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Primarily private sector firms. Interested entities may wish to contact USAID, which has been working to improve Ugandan agricultural productivity, to obtain more information about specific processing opportunities.

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Agricultural Productivity Enhancement Program (APEP)(USAID-sponsored):

www.apepuganda.org

Uganda Coffee Trade Federation: www.Uganda.co.ug/coffee

Uganda Export Promotion Board: www.Ugandaexportsonline.com

Uganda Flower Exporters Association: www.ufe.org

Uganda Investment Authority: www.ugandainvest.co.ug

Uganda Ministry of Agriculture, Animal Husbandry, and Fisheries: www.agriculture.go.ug

Uganda National Farmers Association: www.ugandafarmers.org

Sector Name: Infrastructure: construction equipment, electrical power systems, pumps-valves-compressors
ITA industry code(s): CON/ELP/PVC

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Uganda has a pressing need for roads and power. Moreover, international financial institutions and donors are interested in participating in these projects. Uganda lacks the feeder roads essential to bringing crops to market and is also improving its primary road network and faces an increasing shortfall in electric power. Hydroelectric power projects will occupy Uganda well into the next decade as an Italian firm recently completed an extension of Owen Falls Dam. Following the departure of American firm AES, the GOU is searching for a new firm to build a hydropower facility at Bujagali Falls. Uganda has no domestic production of the equipment needed to develop large-scale infrastructure projects. Additionally, Uganda's growing industries and service providers are in need of larger, more modern, and more efficient sites. Commercial construction and residential construction in Uganda are booming and the sector grew by nearly 10 percent in 2004.

	2002	2003	2004 (estimated)
Total Market Size	N/A	N/A	N/A
Total Local Production	N/A	N/A	N/A
Total Exports	14	15	13
Total Imports	N/A	N/A	N/A
Imports from the U.S.	1	7	1.2

(Figures are in million U.S. Dollars and are unofficial estimates. Export numbers are for electricity exports only)

Best Prospects/Services

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Infrastructure design, construction, and operation, particularly energy related; environmental consultancy and analysis related to infrastructure projects; architecture; construction equipment; road building equipment; generators, transformers, and other power supply equipment; railway construction and operation.

Opportunities

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GOU tenders, including for power generation, railway improvements, and upgrades at Entebbe airport; partnering with local construction firms; some infrastructure projects funded by World Bank, African Development Bank and other International Financial Institutions.

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African Development Bank: www.afdb.org

East African Development Bank: www.eadb.org

Uganda Ministry of Energy and Mineral Development: www.energyandminerals.go.ug

Uganda Ministry of Tourism Trade and Industry: www.mtti.co.ug

Uganda Privatization Unit: www.finance.co.ug

World Bank: www.worldbank.org

Sector Name: Telecommunications equipment/telecommunications Services
ITA industry code(s): TEL/TES

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The Ugandan telecommunications sector boasts three internationally-owned operators, MTN (South Africa), UTL (consortium of German and Egyptian investors), and Celtel (Dutch based Asian ownership). Pursuant to a "duopoly" agreement signed with the GOU in 2000, MTN and UTL are licensed to provide a full range of telecommunications services. Celtel provides mobile telephone services. The MTN/UTL duopoly is scheduled to expire in July 2005 providing international telecommunications companies with the opportunity to enter a variety of telecommunications sub-sectors. As of June 2004, Uganda's number of fixed lines had increased to 71,272 (from 54,976 in July 2002) and its number of mobile telephone subscribers had shot up to 987,456 (up from 393,310 in July 2002).

	2002	2003	2004 (estimated)
Total Market Size	N/A	N/A	N/A
Total Local Production	Nil	Nil	Nil
Total Exports	Nil	Nil	Nil
Total Imports	N/A	N/A	N/A
Imports from the U.S.	5.5	5	5

(Figures are in million U.S. Dollars and are unofficial estimates)

Best Prospects/Services

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Cellular and wireless telephone systems; data transmission equipment; fiber optic equipment; trunked mobile phone systems and paging systems; switchers and routers; wireless access equipment; voice over internet telephony; VSAT; computers and peripherals.

Opportunities

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Contact the Uganda Communications Commission to inquire about investment opportunities following the expiration of the MTN/UTL "duopoly" in July 2005.

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Celtel: www.celtel.com

Computer Frontiers International: www.cfi.co.ug

MTN: www.mtn.co.ug

Uganda Communications Commission: www.ucc.co.ug

UTL: www.utl.co.ug

Sector Name: Travel/tourism services; tourism infrastructure services
ITA industry code: TEL/TES

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The Ugandan tourism sector continues to grow and accounted for revenues of approximately USD 123 million in 2003. In 2004, 235,058 people entered Uganda through Entebbe International Airport, an increase of 26,207 over 2003. Kenyan Airways, Ethiopian Airways, Air Tanzania, and South African Airways have added flights into Uganda in the past few years. Foreign investors have entered the sector and the Serena Group recently purchased the Nile Hotel and Conference Center in Kampala, which it is in the process of refurbishing. Uganda boasts several notable tourist attractions and is one of only three countries with rare mountain gorilla populations. Tourists can visit habituated troops of gorillas in Bwindi and Mgahinga national parks in western Uganda. Though the March 1999 attack on gorilla-trekking tourists at Bwindi national park set back Uganda's previous effort to expand tourism, the GOU has expanded security at the parks with no incidents in recent years. In addition, Uganda boasts two significant game parks, Queen Elizabeth and Murchison Falls, along with the Rwenzori Mountains and Lake Victoria.

Uganda needs upgraded tourist facilities, an improved transportation network, and a comprehensive marketing scheme to take full advantage of this sector's potential. Few local tour operators have the sophistication to tap into global tourism markets. Additionally, Uganda, which recently has hosted several continent-wide conferences, is trying to market Entebbe and Kampala as regional convention centers. To do so, it will need to improve and expand hotel facilities.

	2002	2003	2004 (estimated)
Total Market Size	N/A	N/A	N/A
Total Local Production	N/A	N/A	N/A
Total Exports	N/A	N/A	N/A
Total Imports	N/A	N/A	N/A
Imports from the U.S.	0.5	0.5	0.5

(Figures are in million U.S. Dollars and are unofficial estimates)

Best Prospects/Services

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Tourism management; travel agencies; hotel design, construction and management; marketing.

Opportunities

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The Uganda Wildlife Authority periodically markets concessions for services at or near Ugandan national parks.

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Uganda Ministry of Tourism, Trade and Industry: www.mtti.co.ug

Uganda Wildlife Authority: www.uwa.or.ug

Sector Name: Light manufacturing (import substitution and Exports): household consumer goods, cosmetics/toiletries, Footwear, furniture, textile fabrics, office products and equipment
ITA industry code(s): HCG/COS/FOT/FUR/TXF

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Manufacturing has increased significantly in Uganda over the past five years with a focus on import substitution and exports to regional markets of less complex products such as plastic goods and consumer products. A small but growing middle class in Uganda forms a ready market for these items and Uganda continues to expand its exports throughout the Great Lakes region. The elimination of tariffs within the East African Community makes Ugandan exports more economical in Kenya and Tanzania, while opening Uganda to increased imports from those countries. Therefore, American goods will need to be competitive with those from neighboring countries. With the implementation of the African Growth and Opportunity Act (AGOA), investment possibilities in textile production for export have increased. There has been significant foreign investment in the past two years in the beverage industry with Coca Cola, Pepsi, South African Breweries, and Guinness leading the way. Uganda is in the process of rehabilitating its textile industry. Uganda boasts some of the best cotton yarn in Africa. Due to AGOA, Ugandan textile exports to the U.S. grew from nothing in 2001 to nearly USD 4 million in 2004.

	2002	2003	2004 (estimated)
Total Market Size	N/A	N/A	N/A
Total Local Production	N/A	N/A	N/A
Total Exports	N/A	N/A	N/A
Total Imports	N/A	N/A	N/A
Imports from the U.S.	6	6	6

(Figures are in million U.S. Dollars and are unofficial estimates)

Best Prospects/Services

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Cosmetics, particularly hair products; used clothing; footwear.

Opportunities

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As the Ugandan standard of living increases (at least in Kampala), more Ugandans are purchasing consumer items at large supermarkets or department stores. American vendors should contact these stores directly. Stores include Shoprite, Uchumi, Woolworths, Metro, Game Stores.

Resources

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Game Store: tel.: 256-31-350-400; e-mail: kevinsi@game.co.za
Metro Cash and Carry: tel.: 256-41-505-870/2; e-mail: zane@infocom.co.ug
Shoprite: tel.: 256-31-264-120; e-mail: 041684@shoprite.co.za
Uchumi: tel.: 256-31-262-300; e-mail: gardencity@uchumiug.com

Sector Name: Mining: mining industry equipment, non-ferrous Metals; oil gas mineral production/exploration services
ITA industry code(s): MIN/NFM

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Mining: Uganda is endowed with a great diversity of geological formations and structures. While mining used to contribute 30 percent of Uganda's foreign exchange earnings in the 1960s, it now contributes only a negligible amount. Many minerals and metals can be found in Uganda including: copper, cobalt, gold, tin, tungsten, and oil. Exploration, research and development, and eventual mining may be good investment opportunities. Exploration activities in the Semliki Basin in western Uganda have reaffirmed the existence of oil deposits and further drilling is planned to establish their size. European mining firms are involved in a \$100 million cobalt reprocessing project at Kilembe. Local gold dealers report some high quality gold deposits within Uganda, as well. During 2003/04, the value of mineral exports (gold, vermiculite, tin, gypsum, wolfram, beryl, columbite/tantalite, and cobalt) totaled approximately USD 50 million -- almost all of which was provided by gold. The conflict in the DROC has provided a vacuum of authority in which diamond and gold smugglers can easily operate. These smugglers, both military and civilian, are actively exploiting the conflict for financial gain, and many serve as middlemen for foreign buyers on the black market. Ugandan officials acknowledge that most gold exported from Uganda originated in Congo. Therefore, investors need to make certain that they do not participate in projects involving the illegal transfer of Congolese mineral resources.

	2002	2003	2004 (estimated)
Total Market Size	N/A	N/A	N/A
Total Local Production	N/A	N/A	N/A
Total Exports	N/A	66	50
Total Imports	N/A	N/A	N/A
Imports from the U.S.	1	1	1

(Figures are in million U.S. Dollars and are unofficial estimates. Export estimates only include mineral exports and not related equipment.)

Best Products/Services

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Mining equipment; power generation equipment; civil engineering services; pumps, valves, and related materials.

Opportunities

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Possible investment in existing mines or establishment of new extraction sites.

Resources

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Uganda Ministry of Energy and Mineral Development: www.energyandminerals.go.ug

Sector Name: Marine fisheries products (seafood)
ITA industry code: MFI

Overview

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Uganda has an abundance of Nile perch and tilapia, which are processed locally and exported. Most fish come from Lake Victoria, the second largest freshwater lake in the world, which enables Ugandan exporters to export fish via nearby Entebbe airport. Several foreign investors have set up fish processing facilities, some of which are looking to produce value-added products and better cuts of fish. Fish export earnings increased to over USD 101 million in 2004 and are expected to grow. Reports of over fishing may limit the future growth of this market, though new investments in fish farming may ease pressure on Lake Victoria resources.

	2002	2003	2004 (estimated)
Total Market Size	N/A	N/A	N/A
Total Local Production	N/A	N/A	N/A
Total Exports	N/A	85	102
Total Imports	N/A	N/A	N/A
Imports from the U.S.	N/A	N/A	N/A

(Figures are in million U.S. Dollars and are unofficial estimates. Export estimates only include fish exports, not exports of related equipment)

Best Products/Services

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Fishing equipment; processing equipment; materials related to construction and operation of fish processing facilities; food additives and chemicals used for value-added fish products.

Opportunities

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Investment in fish processing facilities.

Resources

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Nile Basin Initiative: www.nilebasin.org

Uganda Fish Processors & Exporters Association: www.lakevictoriafish.com

Uganda Ministry of Agriculture, Animal Husbandry, and Fisheries: www.agriculture.go.ug

Uganda National Environmental Management Authority: www.nemaug.org

Sector Name: Medical and Dental Equipment
ITA Industry Code: MED/DNT

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Uganda suffers from extremely poor medical coverage. The country has few public hospitals, which can provide limited services. To fill the gap, several local and international investors have constructed private hospitals to serve wealthy and middle-class Ugandans, along with expatriates. Large businesses provide basic medical services for employees, at times including medium-sized medical clinics. Uganda is a leader in the fight against HIV/AIDS and has received large financial support from the United States to set up programs and facilities to combat the disease. Some of this funding will be used to purchase medicines and related treatment equipment. American exports of medical equipment to Uganda have increased in recent years and large American manufacturers have established distribution arrangements with local partners.

	2002	2003	2004 (estimated)
Total Market Size	N/A	N/A	N/A
Total Local Production	N/A	N/A	N/A
Total Exports	N/A	N/A	N/A
Total Imports	N/A	N/A	N/A
Imports from the U.S.	0.6	2	2.5

(Figures are in million U.S. Dollars and are unofficial estimates)

Best Products/Services

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Record management equipment and systems; ultrasound: electrocardiographs; dopplers for obstetrics; pulse oximeters; ventilators; cardiac echo machines; treadmill stress machines; lab equipment (including equipment needed for microbiology, haematology, chemistry, and histopathology).

Opportunities

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All subsectors.

Resources

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Academic Alliance for AIDS Care and Prevention in Africa: www.aaacp.org
Gulu Independent Hospital: www.guluindependenthospital.com
Joint Clinical Research Center: www.jcrc.co.ug
Kigezi International School of Medicine: www.kigezi.edu
Mulago Hospital: www.mulago.or.ug
National Drug Authority: www.nda.or.ug
National Medical Stores: www.natmedstores.org

The AIDS Society of Uganda: www.tasouganda.org
Uganda AIDS Commission: www.aidsuganda.org
Uganda Ministry of Health: www.health.go.ug

Uganda's agricultural land is considered among the best in Africa, with low temperature variability and two seasons of good rainfall for the southern half of the country. Agriculture accounts for a large percentage of GDP and an even larger percentage of export earnings. Agricultural production and processing will remain the mainstay of Uganda's economy for the foreseeable future. The country produces a wide range of food. Some bottlenecks to the expansion of agricultural investment include the lack of high quality packaging capabilities, storage facilities, high freight costs, lack of feeder roads in rural areas, land tenure system and untrained manpower. Additionally, Ugandan producers often find it difficult to meet sanitary and phytosanitary standards required to export goods to Europe and the United States. If Uganda can eliminate instability in the north, farmers will again have access to some of the most fertile land in the country -- traditionally used to grow cotton. Most crops are grown on small plots with few or no inputs. Nonetheless, the following offer good investment opportunities:

Equipment to process or otherwise prepare traditional crops such as coffee, cotton, tea and tobacco: Coffee, cotton and tea have suffered as international market prices have fallen. Rehabilitation and production of these once large exports/foreign exchange earners is ongoing. While these have traditionally been exported in raw form, Uganda is attempting to process these goods for export as finished products. American exporters of agricultural processing machinery may find opportunities in these sectors.

Fruit and vegetable processing: particularly for canning pineapple and producing frozen or pulps or juice concentrates from various tropical fruits, including passion fruit, mango, pineapple and papaya. Uganda seeks to increase production of processed organic foods.

Edible oil production: Uganda's current needs for edible oil are being met by imports. Production of oil seed crops (sesame, sunflower, palm) has attracted major investors and is steadily increasing.

Staple food crops processing: staple food crops grown in Uganda include plantains, millet, sorghum, maize, beans, cassava, sweet potatoes, groundnuts (peanuts), rice, wheat and Irish potatoes. Due to continued instability in northern Uganda, the United States provides large amounts of food aid, specifically wheat, maize, other cereals, flours and cereal meals, and edible oils.

Flowers: roses, carnations and other exotic plants are currently grown in Uganda and exported to Europe. Given Uganda's climate, both seeded annuals and perennials are suitable for commercial development.

Fisheries: roughly 20 percent of Uganda is covered by water. Nile perch and Nile tilapia are in abundance. River and lake fishing, fish farming and fish processing have great potential.

Livestock: Uganda boasts a growing livestock industry centered on Ankole cattle and a

growing dairy sector. There is a demand for better breeding techniques, as well as feed and veterinary care. However, endemic diseases and lack of quality limit export potential.

Food products: Transportation costs to Uganda, combined with low per capita income and heavy competition from regional and European manufacturers, make Uganda a difficult market for exporters of processed U.S. food products. However, exporters may seek to target niche markets, such as wines and other alcoholic beverages.

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Chapter 5: Trade Regulations and Standards

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Import Tariffs

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Pursuant to the East African Customs Union, which entered into effect in January 2005, Uganda, Kenya, and Tanzania have adopted a three-band duty structure for imports from outside the Customs Union. Most finished products will be subject to a 25% duty, while intermediate products will face a 10% levy and raw materials may still enter duty free. This will increase import duties on some products currently imported into Uganda from the U.S. However, under pressure from local industry, the GOU successfully pushed for a five-year exemption on certain import duties and is negotiating with Kenya and Tanzania to define certain manufactured products of key importance to Ugandan industries as "raw materials." The Customs Union removes tariffs on most trade between the three countries, though Kenyan exports will be subject to a 10% duty, which will be phased out in 2% increments over five years. Excise surcharges have been unified at 10%. The EACU members also created a list of "sensitive" products -- generally products that compete with certain domestic industries -- that qualify for higher tariffs. For example, the EACU members recently dramatically increased duties on imports of used clothing, a major U.S. export to East Africa.

In addition to the East African Customs Union, Uganda is a member of the Common Market for East and Southern Africa (COMESA), which also is working on reducing import tariffs for member nations. Proposed duty rates for COMESA countries are 0% (primary goods), 4% (intermediate goods) to 6% (finished products). Imports of primary goods from outside of COMESA will not face import duties, though intermediate products will face 7% tariffs and finished products 15% tariffs. Pursuant to WTO rules, it is unclear if Uganda can be a member of more than one customs union.

Trade Barriers

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Uganda has few formal trade barriers, though bureaucratic inefficiencies, high transport costs, and an influx of counterfeit consumer products increase costs for foreign businesses. Import bans have been phased out for beer, soda, batteries and cigarettes. Small reductions in fuel duties were introduced in an attempt to reduce costs for

producers and transporters. However, the world wide increase in oil prices has had an adverse effect on the fuel prices in Uganda.

Import Requirements and Documentation

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Import certificates, issued by the Minister of Trade, are required for goods on a "negative list," including used tires, tiger head batteries, and have a validity of 6 months. The certificates take the place of import licenses.

U.S. Export Controls

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Certain military products may not be exported to Uganda.

Temporary Entry

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Many products are shipped through Uganda on their way to eastern Congo and Rwanda. The customs administration has reduced the transit time to 7 days. Transit goods require a transit permit from the Uganda Revenue Authority.

Labeling and Marking Requirements

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The following information must be clearly marked on imports and exports: importer/exporter name, consignee, flight/vehicle details, place of discharge, number of packages, container identity, description of goods, air way bill number/bill of lading, and country of origin/destination. Uganda recently adopted additional labeling requirements for imports of used clothing. However, implementation of these requirements has been delayed until later in 2005. Ugandan policy supports the adoption of labels for food products containing genetically modified organisms. However, Uganda has yet to adopt any such requirements.

Prohibited and Restricted Imports

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The following items cannot be imported into Uganda:

- pornographic materials
- used motor vehicle tires
- imports banned under international agreements to which Uganda is signatory

(Note: The GOU recently proposed banning imports of motor vehicles over seven years old. However, this ban has not yet taken effect, though the GOU is contemplating imposing taxes on such automobiles. The GOU also is considering imposing limitations on imports of used clothing.)

Customs Contact Information

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Commissioner
P.O. Box 444, MTAC Nakawa

Kampala, Uganda
Tel: 256-41-334501/334502

For information on Ugandan customs statutes and regulations, please contact:

E-mail: prte@ura.go.ug
Website: www.ugrevenue.com
Tel.: 256-41-234-119
Fax: 256-41-259-559

For information on the East African Customs Union, including the common external tariff, internal tariffs, rules of origin, or the Customs Management Act, please visit www.eac.int

Standards

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Importers/exporters should contact the Uganda National Bureau of Standards (UNBS) (tel.: 256-41-222-367; website: www.unbs.org) for specific information on standards.

Standards Organizations

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Please contact the Uganda National Bureau of Standards.

Conformity Assessment

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Please contact the Uganda National Bureau of Standards.

Product Certification

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Publication of Technical Regulations

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Labeling and Marking

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Trade Agreements

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Uganda is a member of the East African Community (EAC) the Common Market for East and Southern Africa (COMESA) and the Africa-Union Abuja agreement. Duties and tariffs for countries in these groups, including South Africa, are significantly lower than duties for non-members. As part of the East African Community, Uganda, Kenya, and Tanzania have created an East African Customs Union designed to promote free trade among the three nations. At this time, the EAC members are working to harmonize standards and investment rules. Rwanda and Burundi have expressed interest in joining the EAC, though the current members have not moved to open membership to either nation.

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Uganda National Bureau of Standards: www.unbs.org

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Chapter 6: Investment Climate

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Openness to Foreign Investment

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The Government of Uganda (GOU) seeks to attract foreign direct investment and markets itself to companies in Europe and the United States. Seeking to capitalize on nearly twenty years of security throughout much of the country, President Yoweri Museveni frequently implores foreign businesses to set up operations in Uganda. The President recognizes and often publicly warns of the negative consequences of red tape and irritants to potential foreign investors. Uganda's universal primary education policy is creating a better-educated, English-speaking workforce.

Uganda needs to better coordinate its investment strategy. The Uganda Investment Authority was created to assist foreign ventures set up domestic operations. However, while the GOU remains committed to attracting foreign investment, it often relies upon ad hoc, venture-specific incentives, instead of promoting comprehensive, sector-wide investment strategies. While beneficial to individual investors, others contemplating operations in the same sector may not receive equal incentive packages.

Ugandan policies, laws, and regulations generally are investor-friendly. Foreign investors may form 100 percent foreign-owned companies and majority or minority joint ventures with local investors with no restrictions. The GOU permits foreign investors to acquire or takeover domestic enterprises and encourages greenfield investments. Ugandan courts generally uphold the sanctity of contracts, though the courts, at times, are subject to political pressure.

In an environment of very low revenue collection with an inadequate tax net, The Uganda Revenue Authority (URA) has a very low rate of tax collection in a society with few large taxable businesses. As such, the URA often targets those large, often

foreign-owned businesses. The investment code provides fewer advantages to foreigners as compared with nationals of Uganda. For example, licensing authorities may apply performance obligations on foreign investors, to which nationals are not subject. Foreign-owned banks and insurance companies are subject to higher paid-up capital requirements than are national firms. The investment code generally allows foreign participation in any sector. However, due to byzantine land laws and a slow and non-transparent Land Registry, some foreign companies have encountered difficulty in obtaining land. The GOU's privatisation program has successfully attracted foreign investors in farming, hotels, crop marketing, and banking. Yet, the program has moved forwards in fits and starts with questions about the transparency of certain transactions. Projects that may impact the environment require an environment impact assessment, carried out by the National Environment Management Authority (NEMA).

The GOU plans to use a USD 24 million credit from the World Bank to set up export processing zones (EPZs) to stimulate investment and promote exports. Under draft legislation slowly working its way through the government bureaucracy, investors locating in these zones will be provided with a variety of incentives, including tax holidays, duty drawbacks, and the removal of export taxes on goods produced within the EPZs.

Conversion and Transfer Policies

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The investment code guarantees that investors who have invested USD 500,000 can repatriate their investment and dividends and receive foreign exchange to pay debts incurred in the business. Investors have no trouble obtaining foreign exchange. However, few investors have reached the point where they wish to repatriate profits; most are reinvesting profits in their businesses in Uganda.

Expropriation and Compensation

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Ugandan law states that the interests of a licensed investor may only be expropriated in accordance with the constitution of Uganda, and that investors are guaranteed a fair market value within twelve months of the expropriation. Uganda is a member of the Multilateral Investment Guaranty Agency (MIGA) and the International Center for the Settlement of Investment Disputes (ICSID). The GOU has shown a willingness to consider debt/equity swaps in which government ownership in companies is being transferred to private sector minority shareholders on mutually acceptable terms.

Dispute Settlement

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With donor assistance, the GOU has set out a four-year program to reform the commercial justice system. Uganda opened its first commercial court five years ago and now boasts four commercial court judges. The court strives to deliver to the commercial community an efficient, expeditious and cost effective mode of adjudicating disputes. Despite a shortage of judges, lack of funds, and minimal space, the commercial courts normally dispose of disputes within six to seven months, as opposed to the several years it used to take litigation to wind through the Ugandan judiciary. However, the majority of business people prefer to settle disputes out of court to save time and money. Commercial court judges estimate that eighty percent of commercial

disputes are resolved through Alternative Dispute Resolution. The Center of Arbitration for Dispute Resolution (CADER) can assist in commercial disputes. Some foreign businesses have reported that judges may delay ruling on disputes involving politically well-connected parties.

Uganda is a member of the International Center for the Settlement of Investment Disputes (ICSID) and is a party to the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards. Pursuant to the Reciprocal Enforcement of Judgment Act, judgments of foreign courts are accepted and enforced by Ugandan courts where those foreign courts accept and enforce the judgments of Ugandan courts. Monetary judgments normally are made in local currency. Pursuant to Section 73 of the Arbitration and Conciliation Act, the GOU accepts binding arbitration with foreign investors. The Arbitration and Conciliation Act, which incorporates the 1958 New York Convention, also authorizes binding arbitration between private parties. Ugandan courts enforce foreign arbitral awards from courts in nations that are party to the 1958 New York Convention.

Uganda has a series of laws, many of which date to the colonial era, that govern commercial activity. The Uganda Law Reform Commission is working to revise these laws. Ugandan courts apply English common law where there is no applicable written provision. Uganda's Bankruptcy Act also dates to British times. Under the Act, creditors can prove their debts to the court-appointed receiver for payment. Secured debtors receive payment priority.

Performance Requirements and Incentives

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There are no mandatory performance requirements in the investment code, but obligations may be imposed on a foreign investor as a condition for licensing. In order to favor new investment, the Income Tax Act of 1997 eliminated tax holidays for certain foreign investments, replacing them with differential depreciation allowances of variable benefit. In addition, losses may be carried forward indefinitely. However, foreign investors should carefully evaluate depreciation allowances by region and subsector before plunging in. The GOU will work with foreign investors to tailor incentive programs to specific projects. This ad hoc approach, which can include tax incentives, government subsidies, or the provision of land, may benefit specific investors. However, the GOU's failure to develop sector wide or comprehensive investment schemes may disadvantage other investors in those areas.

The GOU places few caveats or restrictions on foreign investment. The GOU does not require that foreign investors purchase from local sources or export a specified percentage of output, nor does it require local ownership of a certain amount of shares. American investors have reported few problems with visas or work permits. However, the GOU encourages businesses to work with local partners.

Right to Private Ownership and Establishment

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The Land Act of 1998 identifies the complex land laws in Uganda. While foreign companies may hold land under long-term lease, they may not own it freehold. Currently, foreigners must seek cabinet approval through the Uganda Investment Authority for land to be used for agricultural or animal production purposes. The

Ugandan land registry is antiquated and operates with little transparency. It is generally viewed as a hindrance to investment and development. In its most recent budget, the GOU proposed to invest over USD 20 million over five years to update and modernize the land registry. While the GOU has not initiated any changes to allow foreign investors to purchase freehold property, these procedural upgrades may make land transfers easier for joint ventures with majority Ugandan ownership.

Protection of Property Rights

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Domestic private entities have the right to own property and other businesses and may dispose of them at will. Foreign private entities share these rights, but there are restrictions in land ownership. The mass expropriation of Asian properties under the Amin regime three decades ago was the largest such aberration in the history of Uganda. Over the past decade, the GOU has actively returned confiscated property. The land repossession exercise under the “return of Asian properties act” is complete. However, the Departed Asians’ Property Custodian Board still reviews contentious issues.

Protecting your Product from IPR Infringement

Ugandan laws generally protect intellectual property. However, these laws, drafted during the British colonial period, rarely act as a deterrent to counterfeiters and pirates. Under section 32 of the patents statute of 1991, the Registrar of Patents awards patents for an initial period of 15 years, with a possible five-year extension if a request is made one month before expiry of the original term. Ugandan laws provide similar protections for copyright and trademark holders. The Uganda Law Commission has drafted upgraded intellectual property laws, with much more stringent enforcement provisions. Parliament may consider this group of bills in 2005. Uganda has not yet ratified the WIPO internet treaties.

Bootlegging of cassettes, software, and videos is common, and any visitor to Kampala has the opportunity to purchase recent music and movies for a minimal price. American manufacturers of consumer goods, particularly shoe polish and batteries, have been victimized by counterfeit products smuggled in to the Ugandan market from abroad. After a slow start, the Ugandan customs, police, and prosecutors have initiated criminal proceedings against the recipients of some shipments of illegal goods. However, enforcement remains haphazard and legitimate producers must proactively engage Ugandan officials to enforce Ugandan law. The Uganda National Bureau of Standards takes a more active role in protecting the health and safety of Ugandan consumers, resulting in the confiscation and destruction of substandard counterfeit products, including matches and cosmetics.

The Investment Code of 1991 makes provisions for foreign exchange remittances with respect to transfer of foreign technologies. In order to benefit from this, investors must have registered agreements with the Uganda Investment Authority regarding the transfer of technology.

Transparency of Regulatory System

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While Ugandan laws and regulations are published in the Government Gazette, the regulatory system lacks internal transparency and varies substantially by regulatory body. Outside parties, both public and private sector, usually have an opportunity to comment on draft legislation and regulations. Government agencies often have open hearings on proposed regulations at which impacted interests can participate. However, agencies at times do not follow standard practices and may not observe all legal provisions. Additionally, the government at times provide ad hoc assistance to well-connected local businessmen. The Uganda Investment Authority provides assistance to potential investors at navigating the regulatory process.

Many Ugandan agencies maintain substantial red tape and a 2004 United Nations report found that it takes 17 days (and 36 separate steps) on average to open a business in Uganda. Some sectors, such as mining, may take substantially longer. While the Government of Uganda continues to modernize, some government officials do not have computers or Internet connections and so cannot communicate through e-mail. Regulatory inefficiencies usually do not target foreign investors or exporters. However, at times, technical limitations favour local parties or businesses with substantial local connections. For example, many government procurement opportunities require cash payment in Uganda shillings in person at local agency offices.

The central bank is reasonably open and transparent, but the legal system is less so. Courts, particularly at the upper levels, have a good reputation, though some parties to legal proceedings can manipulate the system to take advantage of its inherent delays.

Efficient Capital Markets and Portfolio Investment

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GOU policies generally facilitate the free flow of financial resources to support the flow of resources in the product and factor markets. Capital markets are open to foreign investors. There is a 15% withholding tax on interest and dividends. Credit is allocated on market terms, but lending to the private sector is rather limited, since banks hold GOU Treasury bill portfolios that are generally larger than their loan books. As T-Bill rates likely will remain high for the immediate future, banks have little incentive to grow their loan portfolios.

The Capital Markets Authority Statute of 1996 and subsidiary regulations address the licensing of broker/dealers and of stock exchanges and established the Capital Markets Authority (CMA) as the securities regulator in Uganda. Uganda's stock exchange was inaugurated in June 1997, and with the 2004 additions of shares in DFCU Bank and the New Vision newspaper now is trading the stock of seven companies. Foreign owned companies are allowed to trade on the stock exchange, subject to some share issuance requirements, and the Kampala exchange contains cross listings of two Kenyan companies – Kenya Airways and East African Breweries. The CMA expects two or three more listings in 2005, as local businesses seek capital to expand operations. However, some large local businesses may be reluctant to list on the stock exchange for fear that the disclosure requirements could expose them to greater tax liabilities. Additionally, many of Uganda's largest firms are family-owned operations reluctant to open up to outsider control. The East African Development Bank also trades bonds on the exchange. Four companies currently provide brokerage services, including one American-owned firm, MBEA. The license to operate the exchange is held by the

Uganda Securities Exchange (USE) LTD., a company formed by licensed broker/dealers and investment advisers.

In November 2003, the GOU enacted a collective investment law to allow investors to pool funds to be invested on the USE and in government T-bills. In December 2004, CMA licensed African Alliance Uganda to operate the first Ugandan collective investment scheme.

Earlier in 2004, the Bank of Uganda successfully issued 2-, 3-, 5-, and 10-year government bonds totalling UGS 195 billion (approximately USD 110 million). The GOU hopes that by creating a benchmark yield curve it will encourage private companies to access the debt markets. The government bonds sopped up sufficient liquidity from the economy that the GOU has been able to lower T-bill auctions, somewhat dampening T-bill interest rates.

The banking industry generally is sound, well capitalized and without serious non-performing loan problems. Tighter BOU supervision, including more stringent inspections and higher capital requirements, has helped the sector recover from the closing of several domestic banks in 1998/99. The total size of the commercial banking system is roughly UGS 3 trillion (approximately USD 1.6 billion). Most banks are foreign owned, including major international institutions such as Citigroup, Barclays, and Standard Chartered. Standard Chartered, the largest bank, has assets of over USD 900 million, followed by Stanbic with assets of nearly USD 800 million. Ugandan banks remain conservative and have been criticized for a lack of enthusiasm when it comes to lending to all but the largest blue-chip operations. While the BOU remains largely respected, its independence has been called into question by evidence that the GOU pressured it to cover nearly USD 12 million in debts run up by a politically well-connected local businessman. The GOU is contemplating moving government accounts from commercial banks to the BOU.

Political Violence

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A lengthy insurgency continues in the north resulting in numerous deadly attacks on Ugandan citizens. However, related violence largely has remained localized and has not spread to other regions. Armed cattle rustlers of the Karamojong ethnic group continue to raid cattle keepers and their villages in northeastern Uganda. In early 2004, two U.S. missionaries were murdered in northwestern Uganda. The motives remain unclear but the killers may have been motivated by political or sectarian prejudices. Uganda has been included in several State Department travel advisories covering the whole of East Africa due to risks from international terrorism. Although security concerns are on the whole no greater than in 2003, American citizens considering travel and employment/investment in Uganda should still read the consular information sheet and contact the U.S. Embassy for current security information.

Corruption

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There is ample evidence of corruption in Uganda at all levels of society. However, the nature of corruption in Uganda is a subject of some debate. While outright bribe-taking (and requesting) does exist, the factors of bureaucratic apathy and ignorance of rules

within public organizations contribute to the perceptions of corruption. Some observers also point to collusion by bribe-payers and donor blindness to project malfeasance as compounding the problem. Public intolerance of corruption continues to grow, fueled by press reporting and parliamentary investigation. The GOU argues that corruption has not increased, but rather the awareness from investigation has brought existing problems to light. However, the continued failure by the GOU to act on the recommendations of several high profile anti-corruption commissions calls into question the government's commitment to combat corruption at the highest levels. Additionally, the run up to the general elections in 2006 may increase pressure on businesses and individuals to contribute to political campaigns. In 2004, Uganda failed to qualify for assistance under the U.S. Millennium Challenge Account (MCA) largely due to perceived lack of progress in fighting corruption. However, the U.S. has determined that Uganda qualifies as a "threshold country" close to MCA qualification and eligible for possible funding to combat corruption.

Foreign businesses are not specifically targeted for bribes and payoffs. Nor are they immune. American firms have noted some difficulties due to lack of transparency and possible collusion between competing business interests and government officials. Reportedly, some foreign businesses have been urged to take on prominent local partners. Government procurement, particularly for defence items, is not transparent.

Over the past few years, Uganda has developed anti-corruption legislation, regulations, and ethics policies. The Penal Code Act (Chapter 120, Laws of Uganda) and the Prevention of Corruption Act (Chapter 121, Laws of Uganda) criminalize the receipt of a bribe. Penalties range up to prison terms of 10 years or fines of up to 6,000,000 Uganda Shillings. President Museveni has appointed a cabinet level official and an inspectorate of government to focus on the issue. Uganda is a signatory to the United Nations Convention Against Corruption. The 2004 Transparency International Corruption Perceptions Index ranked Uganda 102nd out of 145 participating countries, a slight improvement over previous years.

Bilateral Investment Agreements

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Uganda has signed few bilateral investment agreements. In 1998, Uganda signed (but has yet to ratify) an overseas private investment corporation (OPIC) agreement, allowing OPIC to broaden the scope of its activities here. Uganda has negotiated bilateral tax treaties with several nations, including China and South Africa, but has not begun similar discussions with the United States.

OPIC and Other Investment Insurance Programs

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Uganda is a signatory to the Multilateral Investment Guarantee Agency (MIGA) of the World Bank and is a member of the International Center for the Settlement of Investment Disputes (ICSID). In 1965, the U.S. and Uganda entered into an investment incentive agreement. An updated agreement was signed in 1998 by both parties, but has yet to be ratified by the Ugandan government. In 2003, OPIC signed a master guarantee agreement with Citigroup to establish a lending risk-sharing facility for local loans. In 2004, ExIm signed a similar master guarantee agreement with DFCU Bank.

Labor

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Education and expertise are low in Uganda, though Uganda's universal primary education program is improving basic skills. Most urban Ugandans speak English. Private sector businesspeople report that they prefer to train unskilled and semi-skilled workers on the job. Labor unrest is sporadic in Uganda, and labor unions are not strong. Employers must contribute an amount equal to 10 percent of the employee's gross salary to the national social security fund (NSSF). Labor laws also specify procedures for termination of employment and termination payments. Foreign nationals must have a permit to work in Uganda.

Foreign-Trade Zones/Free Ports

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Currently, Uganda does not have free ports or foreign trade zones. In 2004, Uganda received a USD 24 million credit from the World Bank to establish export processing zones (EPZs). The GOU has been revising a draft Special Economic Zones bill for some time. The GOU has set aside property outside Kampala for an EPZ and possibly may set up a second EPZ at Entebbe airport.

Foreign Direct Investment Statistics

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Foreign Direct Investment Statistics

	FY02	FY03	FY04
Net FDI	181.44	192.02	195.68
Inflows	230.70	241.53	260.37
Outflows	49.26	49.51	64.69
(Residual)			

FDI statistics provided by the World Bank.

Value of Projects Licensed by Uganda Investment Authority:

	2003
Agriculture, Forestry, and Fishing	159,901,446
Construction	15,440,000
Financial Services	3,672,000
Manufacturing	39,022,200
Mining and Quarrying	8,431,000
Other Business Services	22,754,000
Professional Services	13,574,000
Real Estate	150,000
Social Services	10,197,970
Tourism	12,852,000
Trade	2,000,000

Transport, Communications, and Storage	13,903,583
Water and Energy	53,017,583
Total	354,915,199

The values quoted above should not be relied upon for any investment decision. The figures provided by the UIA are highly variable and inconsistent, both year-on-year and by sector. According to the UIA, the values tracked are only for projects listed. No investors provide periodic updates after the initial registration. Historically, actual investment has trailed planned investment totals by a factor of five.

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Chapter 7: Trade and Project Financing

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- [How Does the Banking System Operate](#)
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- [U.S. Banks and Local Correspondent Banks](#)
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How Do I Get Paid (Methods of Payment)

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Retailers normally receive payment for consumer goods in cash. However, exporters of capital goods or other equipment, machinery, and services normally seek payment through wire transfers. Ugandans may attempt to pay by check. However, increasing check fraud makes this a risky proposition.

How Does the Banking System Operate

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Due to insider lending, poor supervision, and excess supply, Uganda's formal financial system underwent a significant shakeout in the 1990s resulting in the closure of several commercial banks. Since that time, the sector has seen steady improvement and now is stable and well-capitalized. The system includes Uganda's Central Bank (the Bank of Uganda, or BOU) sixteen commercial banks, and two development banks. Most of Uganda's largest commercial banks have foreign owners, including Citibank, Barclays, and Standard Chartered. New investors allowed entry into the sector must offer completely new financial services or take over existing banks. A deposit insurance fund with contributions from the GOU and banks has been put in place to protect depositors, though the fund has yet to be tested.

Foreign-Exchange Controls

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There are no foreign exchange controls affecting legitimate trade.

U.S. Banks and Local Correspondent Banks

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Bank of Baroda -- Chase Manhattan Bank, New York
Barclays Bank (u) LTD -- Barclays Bank plc, New York
Citibank Uganda LTD -- Citibank, New York
DFCU bank -- Citibank, New York
Nile Bank -- Citibank, New York
Stanbic -- Bankers Trust, New York
Standard Chartered Bank -- Standard Chartered, New York

Project Financing

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Multilateral institutions active in Uganda include the IMF, World Bank and African Development Bank, as well as several European institutions. Major development

projects in health, education, agriculture, and infrastructure, are financed by bilateral donors and/or international organizations.

Web Resources

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Export-Import Bank of the United States: <http://www.exim.gov>
Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html
OPIC: <http://www.opic.gov>
Trade and Development Agency: <http://www.tda.gov/>
SBA's Office of International Trade: <http://www.sba.gov/oit/>
USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>
African Development Bank: www.afdb.org
Bank of Baroda: www.bobho@spacenet
Barclays Bank (U) LTD: www.Barclays.com/Africa/uganda
Citibank: www.Citibank.com/eastafrica/Uganda
COMESA Bankers Association: www.comesabankers.org
DFCU: www.dfcugroup.com
East African Development Bank: www.eadb.org
Nile Bank: www.nilebank.co.ug
Stanbic: www.stanbic.com
Standard Chartered Bank: www.standardchartered.com
Uganda Bankers Association: e-mail: uba@uol.co.ug
World Bank: www.worldbank.org

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Business Customs

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Business decisions are often made by a group. Ugandans like discussing business issues with others before making decisions. Ugandans want to get to know people with whom they are dealing and begin most meetings with introductory conversation about people's backgrounds and families. Refreshments are served at business meetings. Good gift choices to bring from abroad would be business-related items such as the item the company makes or wishes to sell.

Ugandans are quite conservative in the way they dress. Women conventionally wear dresses; men wear business suits or slacks. In their discourse, Ugandan businesspeople are likewise conservative and formal, particularly when making speeches to a group. Greetings and acknowledgements precede all formal speeches in strict accordance with protocol.

It is not uncommon for Ugandans to arrive late for an event, and for meetings to run over their scheduled time.

Travel Advisory

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For the latest travel-related information, please see the consular information sheet for Uganda at <http://travel.state.gov>

Visa Requirements

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Visitors with diplomatic passports do not need a visa. Those with official or regular passports can obtain a visa at the Ugandan Embassy in Washington or on arrival at Entebbe airport (\$30 for a single entry and \$80 for a multiple entry). A \$40.00 departure tax should be included in all air tickets.

U.S. Companies that require travel of foreign businesspersons to the United States should allow sufficient time for visa issuance if required.

Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States Visas.gov: <http://www.unitedstatesvisas.gov/>

U.S. Embassy Kampala: <http://kampala.usembassy.gov/service.html>

Telecommunications

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While Uganda's communications infrastructure remains substandard, steady improvements have occurred, particularly since the introduction of the mobile phone. Mobile phone companies now provide coverage for most urban areas; however, ground lines still remain fairly scarce. While an increasing number of Ugandans now own mobile phones, some people and businesses do not have landlines or mobile telephones. Substantial bureaucratic red tape must be overcome to have a telephone installed. International direct dial is expensive but generally of good quality. Billing practices, however, have been mistake-prone. Access to international long distance carriers such as AT&T, MCI, and Sprint is extremely limited, even in first class hotels. A satellite telephone is recommended for persons working outside of an urban area. Many businesses are now using fax machines and e-mail regularly. Commercial e-mail and Internet services are increasingly available, and internet cafes are becoming common. Several Internet companies provide services to commercial entities and residences. Most Internet connections rely on slow dial ups and charge a monthly fee along with costs for each minute on the telephone. Faster connections are quite expensive. Fax and copying services are also available in shops in Kampala and at major hotels. Both telephone and fax charges at major hotels can be exorbitant.

Several different courier services compete for business in Uganda and in providing international services. DHL and Federal Express offer worldwide delivery.

Transportation

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The primary road network in Uganda is generally good, but maintenance is a problem. Paved roads connect Kampala with the borders in Kenya, Rwanda, and Tanzania. Roads in Kampala are being improved, although many are still filled with potholes. Urban traffic has increased as Uganda's economy has developed. The secondary road system needs a great deal of work, and some unpaved roads become nearly impassable in the rainy seasons. A four-wheel drive vehicle is recommended. There is no passenger rail service and cargo service is limited primarily to service to and from the port in Mombassa. Plans to jointly privatize the Ugandan and Kenyan railways may result in future increased services to western and northern Uganda.

International flights to and from Entebbe International Airport leave daily. SN Brussels and British Airways offer nonstop flights to Europe. There are no direct flights to the United States. Small private carriers recently have established scheduled commercial services between Entebbe and several up country destinations. Alternately, visitors may access remote regions of the country through private charters.

Language

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Although many local languages are spoken in Uganda (the most common in Kampala is Luganda), most business is conducted in English. Swahili is often understood but not frequently used in Kampala, and often carries negative overtones as the language of the former dictator, Idi Amin.

Health

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Uganda has serious disease and health problems. Malaria is endemic and is resistant to many anti-malarial drugs. Cerebral malaria is not uncommon and is extremely dangerous. Most lakes and rivers are infested with bilharzia. The rate of HIV infection in Uganda is high. Tuberculosis is becoming a major disease here. Although a new treatment plant for the Kampala water supply was commissioned in 1993, water from taps is not potable and should be boiled for 5 minutes and filtered before drinking. Vegetables should be soaked in chlorinated water before cooking.

Local Time, Business Hours, and Holidays

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Uganda is +3 Greenwich Mean Time. Office hours typically are 9-5, Monday through Friday, though these may vary.

The Government of Uganda does not celebrate a holiday on the workday before or after the actual holiday if it falls on a weekend. Businesses, however, may be closed and many business people unavailable on such a day. Major holidays celebrated in Uganda include:

New Years Day January 1
Liberation Day January 26
Good Friday *
Easter Monday *
International Women's Day March 8
Labor Day May 1
Id-el-Fitr *
Id-el-Adha *
Uganda Martyr's Day June 3
National Heroes Day June 9
Independence Day October 9
Christmas Day December 25
Boxing Day December 26

* Date changes annually

Temporary Entry of Materials and Personal Belongings

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Persons bringing in goods temporarily need to execute a bond through a clearing agent. Personal effects typically are not taxed, though a sizable consignment of personal effects might attract the attention of Ugandan Customs and a person bringing in such a consignment should contact a clearing agent.

Web Resources

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State Department Visa Website: travel.state.gov/visa/index.html

United States Visas.gov: www.unitedstatesvisas.gov/

U.S. Embassy Kampala: kampala.usembassy.gov/service.html

Uganda Revenue Authority: www.ugrevenue.com

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Chapter 9: Contacts, Market Research, and Trade Events

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Contacts

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U.S. Commercial/Economic Office
Plot 1577 Ggaba road
Kampala, Uganda
Tel: 256-41-259-791, fax: 256-41-341-863

U.S. Embassy
Plot 1577 Ggaba road
Kampala, Uganda
Tel: 256-41-259-791, fax: 256-41-259-794
kampala.usembassy.gov/service.html

Uganda Government Agencies/Authorities

Customs Department
P.O. Box 8147, Kampala
Tel: 256-41-344-501
www.ugrevenue/department/customsAndExcise

Ministry of Agriculture, Animal Industry and Fisheries
P.O. Box 201, Entebbe
Tel: 256-41320-722; fax: 256-41-321-047
www.agriculture.go.ug

Ministry of Energy and Minerals
P.O. Box 7270, Kampala
Tel: 256-41-233-331; fax: 256-41-230-220
<http://www.energyandminerals.go.ug/>

Ministry of Finance, Planning and Economic Development
P.O. Box 8147, Kampala
Tel: 256-41-234-700/9, fax: 256-41-341-397
www.finance.go.ug

Ministry of Tourism, Trade and Industry
P.O. Box 4241, Kampala
Tel: 256-41-231-104, fax: 256-41-341-247
www.mtti.go.ug

National Environment Authority
P.O. Box 22255, Kampala
Tel: 256-41-251-064; fax: 256-41-259-521
www.nemaug.org

Private Sector Foundation Uganda
P.O. Box 7683, Kampala
Tel: 256-41-342-163; fax: 256-41-259-109
www.psfuganda.org

Uganda Export Promotion Board
P.O. Box 5045, Kampala
Tel: 256-41-230-250; fax: 256-41-259-779
www.ugandaexportsonline.com

Uganda Investment Authority (UIA)
P.O. Box 7418, Kampala
Tel: 256-41-251-561/2; fax: 256-41-242-903
www.ugandainvest.co.ug

Uganda National Bureau of Standards
P.O. Box 6329, Kampala
Tel: 256-41-222-367; fax: 256-41-286-123
www.unbs.org

Uganda Revenue Authority
P.O. Box 7279, Kampala
Tel: 256-41-344-401
www.ugrevenue.com

Uganda Trade Associations/Chambers of Commerce

Uganda Coffee Trade Federation
P.O. Box 21679, Kampala
Tel: 256-41-343-678; fax: 256-41-343-692
www.uganda-co.ug/coffee

Uganda Fish Processors & Exporters Association
P.O. Box 24576, Kampala
Tel: 256-41-347-835; fax: 256-41-347-835
www.lakevictoriafish.com

Uganda Flower Exporters Association
P.O. Box 29558, Kampala
Tel: 256-31-263-320; Fax: 256-31-263-321
www.ufe.com

Uganda Manufacturers Association
P.O. Box 6966, Kampala

Tel: 256-41-287-615; fax: 256-41-220-285
<http://www.uma.co.ug/>

Uganda National Chamber of Commerce and Industry
P.O. Box 3809, Kampala
Tel: 256-41-258-791; fax 256-41-258-793
www.ugandachamber.or.ug

Uganda Small Scale Industry Association
P.O. Box 7725, Kampala
Tel: 256-41-221-785; fax: 256-41-221-038

The Uganda Vanilla Exporters Association
1st Floor Ambassador House, Kampala Road
Tel: 256-77-495-067
www.ugandavanilla.com/commercial.htm

Development Banks

Uganda Development Bank
P.O. Box 7210, Kampala
Tel: 256-41-230-740; fax: 256-41-258-571
www.info@udbl.co.ug

East African Development Bank
P.O. Box 7128, Kampala
Tel: 256-41-230-021; fax: 256-41-259-763
www.eadb.org

International Organizations

International Monetary Fund
P.O. Box 7120, Kampala
Tel: 256-41-233-955; fax: 256-41-254-872
www.imf.org

UNDP
P.O. Box 7184, Kampala
Tel: 256-41-233-440; fax: 256-41-244-801
www.undp.or.ug

World Bank
P.O. Box 4463, Kampala
Tel: 256-41-230-094; fax: 256-41-230-092
www.worldbank.org

World Food Program
P.O. Box 7184
Tel: 256-41-242-229; fax: 256-41-250-485
www.wfp.org

Uganda Commercial Banks

Allied Bank International (U) LTD
P.O. Box 2750, Kampala
Tel: 256-41-258-118; fax: 256-41-230-439
www.alliedbank.co.ug

Bank of Baroda (U) LTD.
P.O. Box 7197, Kampala
Tel: 256-41-233-680; fax: 256-41-258-263
e-mail: bobho@spacenet.co.ug

Barclays Bank (U) LTD.
P.O. Box 2971, Kampala
Tel: 256-41-232-594; fax: 256-41-259-467
www.barclays.com/africa/uganda

Cairo International Bank
I Sure House, Bombo Rd. Kampala
Tel: 256-41-230-136; fax: 256-41-230-130
e-mail: cibug@spacenetug.com

Centenary Rural Development Bank LTD.
Plot 7, Entebbe Road, Kampala
Tel: 256-41-251-277; fax: 256-41-251-273
www.centenarybank.co.ug

Citibank Uganda LTD.
P.O. Box 7505
Tel: 256-41-340-945; fax: 256-41-340-624
www.citibank.com/eastafrica/uganda

Crane Bank LTD.
P.O. Box 22572, Kampala
Tel: 256-41-343-607/8; fax: 256-41-231-578
www.cranebanklimited.com

DFCU (formerly Gold Trust) Bank (U) LTD.
P.O. Box 70, Kampala
Tel: 256-41-231-215; fax: 256-41-231-687
www.dfugroup.com

Diamond Trust Bank
17/19 Diamond Trust Bldg., Kampala
Tel: 256-41-259-331; fax: 256-41-342-280
e-mail: info@dtbuganda.co.ug

National Bank of Commerce (U) LTD.
Cargen house, Parliament Ave., Kampala
Tel: 256-41-347-700; fax: 256-41-347-701
e-mail: nbc@africaonline.co.ug

Nile Bank
P.O. Box 2834, Kampala
Tel: 256-41-344-129; fax: 256-41-236-066
www.nilebank.co.ug

Orient Bank
Plot 10, Kampala road
Tel: 256-41-236-013; fax: 256-41-236-066
www.orient-bank.com

Stanbic Bank (U) LTD.
P.O. Box 7131, Kampala
Tel: 256-41-224-600; fax: 256-41-231-116
www.stanbic.co.ug

Standard Chartered Bank (U) LTD.
P.O. Box 7111, Kampala
Tel: 256-41-258-211; fax: 256-41-342-875
www.standardchartered.com/ug

Tropical Africa Bank
27 Kampala Rd., Kampala
Tel: 256-41-231-990/5; fax: 256-41-232-296
e-mail: tabu@calva.com

Market Research

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To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/marketresearch.html> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, but free of charge.

Trade Events

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The annual international trade fair, sponsored by the Uganda Manufacturers Association, is held in early October. The United States Embassy in Kampala encourages local and regional representatives of American manufactured goods to display their products at the U.S Pavilion at the fair. Please contact the U.S Embassy for more information. In the past, many businesses have elected not to participate, due to the feeling that it was not an event for substantive business contact or deals, but rather a forum for simply promoting brand recognition. In recent years, some participants have complained about the carnival-like atmosphere, and that their promotional handouts

ended up in the hands of children as toys. For more information on trade fairs, please visit:

<http://www.export.gov/tradeevents.html>

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Chapter 10: Guide to Our Services

The U.S. Commercial Service offers customized solutions to help your business enter and succeed in markets worldwide. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers

For more information on the services the U.S. Commercial Service offers U.S. businesses, please click on the link below.

<http://www.buyusa.gov/home/export.html>

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U.S. exporters seeking general export information/assistance or country-specific commercial information should consult with their nearest **Export Assistance Center** or the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRADE**, or go to the following website: <http://www.export.gov>

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.